



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

DEPUTY ASSISTANT SECRETARY

NOV 17 1981

MEMORANDUM FOR THE HONORABLE
JAMES L. MALONE
SPECIAL REPRESENTATIVE OF THE PRESIDENT
FOR THE LAW OF THE SEA
DEPARTMENT OF STATE

Subject: Draft Memorandum to the President on
Law of the Sea

The Department of the Treasury generally supports the conclusions of the review of the Draft Convention on the Law of the Sea. We agree that the seabed mining provisions are clearly contrary to U.S. economic and financial interests and would require substantial revision before the Draft Convention would be acceptable.

Treasury supports option II, to continue to participate in the Law of the Sea Conference in order to negotiate substantial changes in the seabed mining provisions. If all other Departments also recommend option II, it may be useful to recast the memorandum to the President to inform him of this consensus, subject to his confirmation.

Treasury believes that the five objectives outlined in the draft memorandum are not sufficiently precise to constitute an adequate statement for the President of the U.S. position on the seabed mining provisions. Thus, we believe it will be necessary to add the paragraph below to Part IV to clearly indicate the process which will be followed to develop detailed U.S. positions on and proposed amendments to the specific Treaty provisions which require improvement. In addition, we believe that these positions and amendments should be reviewed, not only by the NSC, but by either the Cabinet Council on Economic Affairs or the Cabinet Council on Natural Resources and the Environment to assure their consistency with U.S. economic policy.

State Dept. review completed

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"Detailed instructions for achieving these objectives, including U.S. positions on and proposed amendments to specific treaty provisions, will be developed for review by the NSC and, particularly with reference to the economic and financial aspects of the seabed mining provision, the relevant Cabinet Council."

Treasury's position has been cleared by the Secretary. Since we understand that several other Agencies will request a similar addition to the draft memorandum, despite the need for speed, Treasury believes that it would be useful to have the Draft Memorandum discussed at either a meeting of the Senior Interagency Group or the National Security Council before it is sent to the President.

A handwritten signature in dark ink, appearing to read 'Charles Schotta', with a long horizontal flourish extending to the right.

Charles Schotta
Deputy Assistant Secretary for
Commodities and Natural Resources

IMMEDIATE

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EXECUTIVE SECRETARIAT**Routing Slip**

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4	DD/NFA	X			
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SUSPENSE		1600 23 November Date			

Remarks:

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please ASAP but NLT 1600 today.

[Signature]
Executive Secretary
23 November 1981
Date

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